MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

DECEMBER 5, 2017

CALL TO ORDER:
Mayor Patino called the meeting to order at 5:00 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Human Resources and Records Anderson (via conference call), City Manager Stilwell, and Chief Deputy City Clerk Garietz.

PUBLIC COMMENT:

RECESS:
Mayor Patino recessed to a Closed Session at 5:02 p.m. for:

1) CONFERENCE WITH LABOR NEGOTIATORS pursuant to Section 54957.6 of the Government Code. Agency representatives: City Manager and Director of Human Resources & Records. Employee Organizations: Service Employees International Union (SEIU) Local 620, Santa Maria Police Association of Middle Management (SMPAMM), Santa Maria City Fire Fighters' Union Local 2020 (Local), Non-Represented Management and Confidential Employees, and Public Safety Managers.

INVOCATION:
Pastor Chad Bohi of Cornerstone Church gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Boysen led the Pledge of Allegiance.

RECONVENE THE MEETING AND CALL TO ORDER:
Mayor Patino reconvened the meeting and called the meeting to order at 5:32 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Stilwell, City Attorney Trujillo, Principal Civil Engineer Baes, Battalion Chief Barneich, Police Chief Hansen, Director of Finance Harvey, City Librarian Housel, Planning Division Manager Hostetter, Director of Public Works Kahn, Assistant City Attorney Sinco, Director of Community Development Ng, Recreation & Parks Director Posada, Director of Utilities Springer, and Chief Deputy City Clerk Garietz.

City Attorney Trujillo announced that there was no reportable action associated with the Closed Session item, at this time; but that the City Council would recess to Closed Session after the regular Council meeting to continue discussions.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:

A. RETIREMENT RESOLUTION – RICHARD "RICK" J. HAYDON
Councilmember Waterfield presented flowers to City Manager Haydon's wife, Cherri, and thanked her and her family for their support during Mr. Haydon's tenure.

Resolution No. 2017-138 was adopted commending City Manager Haydon for his 21 years of dedicated public service to the residents and businesses of Santa Maria, on motion by Mayor Patino, and seconded by Councilmember Boysen, and carried on the following vote: (5-0)

AYES:	Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2017-138 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING CITY MANAGER RICK HAYDON FOR HIS YEARS

OF DEDICATED SERVICE TO THE CITY OF SANTA MARIA AND CONGRATULATING HIM ON HIS RETIREMENT.

The City Council individually thanked Mr. Haydon for his service and professionalism, and for his commitment to the residents and businesses in the City of Santa Maria.

Mr. Haydon thanked the City Council for their trust and cooperation during some difficult times during his early tenure as City Manager. Tough decisions had to be made, but he did not make them alone. He indicated that he had a wise City Council, assistance from City Attorney Trujillo, and retired Human Resources Manager Lara. He also thanked his coworkers for their support and indicated that they are a great group of Department Heads and City of Santa Maria is in good hands with them and new City Manager Stilwell. He thanked Executive Assistant Lane and Confidential Office Clerk Reed for keeping everything in his office running smoothly for him and the Council. Finally, he thanked his wife, Cherri, and family for their support over the years, and is looking forward to more "father time."

City Manager Stilwell thanked Mr. Haydon for his service which has laid a great groundwork for the City to move forward. He wished Mr. Haydon him and his family the best of luck to during whatever the next chapter of his life brings.

2. PUBLIC COMMENT
Ernest Armenta spoke about the collection of AB 1600 fees.

3. CONSENT CALENDAR:
Consent Calendar Items 3A through 3E were approved on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the regular Meeting of the City Council of November 21, 2017, were approved as submitted.

C. SALARY SCHEMATIC UPDATE
Resolution No. 2017-139 was adopted approving the updated City of Santa Maria Salary Schematic.

Resolution No. 2017-139 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE UPDATED CITY OF SANTA MARIA SALARY SCHEMATIC.

D. WARRANTS
Warrant Nos. 211138 to 211382 totaling $1,932,921.31 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Finance. Warrant Nos. 204441 and 211109 were cancelled.

E. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Finance and having been approved for payment by the Director of Finance.

4. ACCESSORY DWELLING UNIT REGULATIONS. The City Council considered a recommendation of the Planning Commission to approve a Zoning Text Amendment amending Title 12 of the City of Santa Maria Municipal Code to add Chapter 56 related to Accessory Dwelling Units (ADUs), and updating various other related Sections of the Code. On November 15, 2017, the Planning Commission approved this recommendation by a vote of 3-2 (Noes: Commissioner White-O'Neill and Chair Dickerson).

Director of Community Development Ng gave a presentation as detailed in the Council Agenda Report. Accessory Dwelling Units are additional living units on the property of an already single-family (R-1) dwelling. The Planning Commission began working on the issue of ADUs in August

2017. A series of Senate and Assembly Bills had been passed in the last couple of years that allowed for ADUs in all cities in California. The goal of the State was to increase the inventory of affordable housing in a cost-effective way. State law allows for a maximum ADU size of up to 1,200 square feet or 50 percent of the square footage of the house. Under State law, no additional parking is required for an ADU. Utility metering is optional. Growth Mitigation Fees can be applied to an ADU in proportion to the impact of the ADU. Thus, properties in R-1 districts would take on R-2 characteristics. Parking would be increased in residential zones and increased impacts from sewer, water, and traffic would be seen.

There are some areas of the State law that cities can tailor to their needs. The proposed local ordinance would prohibit Junior ADUs. It would also limit the allowable number of ADUs on a lot to just one (1). Replacement parking for garage conversions would be required by the City's ordinance. The State allows for covered or uncovered parking, and staff suggests that covered parking remain optional. In staff's original recommendation, an owner-occupancy requirement was included. The Planning Commission voted 3-2 to remove that requirement saying that foreseeable problems might include enforcement and the potential constraint to the production of affordable housing. Chair Dickerson and Commissioner White O'Neill were in favor of having the owner occupancy requirement indicating that owner occupancy would ensure proper maintenance and allow for better management of tenants. Some cities have different interpretations of owner-occupancy. Some require the owner to be present 180 days of the year. Or, the owner could be an extended family member living on the property.

Councilmember Moats asked how many persons could live in an ADU, requested clarification on garage conversions, asked what constituted the required *sanitation facility* and *kitchen*, and asked if there was a minimum lot size required for ADUs.

Community Development Director Ng responded that the number of persons living in an ADU would be regulated by the Building Code and available square footage. A *sanitation facility* would be a toilet and shower that met Building Code for a permanent dwelling unit. Thus, plumbing would need to be installed. The kitchen would be defined as space that accommodates for the preparation of meals. That would include a gas line for stoves. The ordinance would apply to all residential zones with an existing single-family house regardless of the size of the lot.

Councilmember Waterfield asked if additional trash receptacles would be required for ADUs, if the State law superseded Homeowner's Associations and CCRs, and if there would be limits on the number of animals on the property. She also commented that, for many homeowners, the concern is that their home is the biggest investment of their life and current development in Santa Maria has already put neighborhoods and homes very close to each other.

Community Development Director Ng responded that the State did not provide specific language for trash, but the requirement could be optional. He said the State statute pertained to land use and required the local jurisdiction to have land use regulations that accommodate for ADUs. The assumption would be that this would preempt what local HOAs have the ability to do. The zoning ordinances for animals would still apply. Another option for the Council's consideration might be to require covered parking. This would limit some of the requests for permits to build ADUs as it would be difficult for some. The first 20 feet of a driveway would not count as an area to put up a carport because it would be within the front yard setback.

Councilmember Boysen clarified that, based on the State law, the City had no choice but to allow ADUs. He also asked for the specifics on Junior ADUs saying that if an owner had a 950 square foot home, a structure that was 50 percent the size would be 475 square feet and smaller than the minimum for a Junior ADU.

Community Development Director Ng confirmed both of Councilmember Boysen's statements. He also stated that Junior ADUs must have a kitchen space, but could share a bathroom with the primary unit.

Councilmember Boysen asked if there had been any study of the potential effect of passing the ordinance saying he did not expect to see a flood of requests for permits for ADUs should the Council go forward.

Planning Division Manager Hostetter shared her experience with ADUs in San Luis Obispo where many of the lot sizes were larger and easily accommodated ADUs. Most permit applicants were planning to bring family members onto their property. The City of San Luis Obispo City Council required owner-occupancy in ADUs to help alleviate tenant problems. San Luis Obispo does not allow for short-term vacation rentals in the City.

Councilmember Boysen asked if there was anything in the proposed ordinance addressing short-term rentals.

Planning Division Manager Hostetter said staff could look into rental issues as needed depending on the volume of permit requests. She added that Santa Maria did not have the same need for short-term rentals that coastal communities do.

Councilmember Waterfield commented that she heard there were 75 permit requests to build ADUs and expressed concern over short-term rentals.

Community Development Director Ng stated there were currently 14 permits waiting to be approved for ADUs. He also let the Council know that staff would be happy to start researching a policy for short-term rentals in the City.

Councilmember Moats asked what the proportion of the 14 permit requests were for garage conversions versus new construction.

Planning Division Manager Hostetter responded that there were a couple of garage conversions in the list, but overall permit requests were a mix of both.

Councilmember Cordero asked what type of enforcement problems there had been in San Luis Obispo with owner-occupied ADU properties. He also expressed concern that the State law would not be as easy to work with in Santa Maria as in other cities that have different demographics, particularly with the current parking, trash, and sewer issues Santa Maria is already experiencing.

Planning Division Manager Hostetter responded that enforcement was difficult and would be on a complaint-basis. One of the tools for enforcement that has been put in place by the County is a deed restriction noticing future owners of the requirement to live on the property where there is an ADU prior to its purchase.

Councilmember Boysen asked if a condition requiring that units be rented out for no less than 30 days could be added to the ordinance.

Community Development Director Ng responded that it could be added to the ordinance, however, the State's intention was that ADUs would be long-term rentals.

Written communications
Mayor Patino read a communication she received from Jack Owen, Jr. opposing ADUs, but supporting the owner occupancy requirement.

Public hearing
Mayor Patino opened the Public Hearing at 6:43 p.m.

Gary Crabtree spoke in support of ADUs and the Planning Commission's recommendation.

Ernest Armenta spoke about the property rights of homeowners and which areas of the City would be more prone to adding ADUs. He also asked if a new Council could change the restrictions this Council may impose on the ADUs and property owners. (City Attorney Trujillo noted that a Council may change the Santa Maria Municipal Code at any time)

Ken Hough, representing Santa Barbara County Action Network, spoke in favor of ADUs and the Planning Commission's recommendation citing the need for housing throughout the County.

Having no other requests to speak, Mayor Patino closed the Public Hearing at 6:52 p.m.

Council Discussion
Councilmember Moats indicates that he thought the State law was a horrible law and would seriously harm neighborhoods with R-1 zoning and he requested as many restrictions as possible in the ordinance. He supported owner occupancy and substitute covered parking requirements for garage conversions.

Councilmember Cordero commented on how challenging it might be to regulate the unintended consequences after an ADU is built, particularly with the increase in occupants to the property and neighborhood once the unit is finished. He said he hoped to minimize any issues that may arise and to maintain certain levels of living conditions and beautification in the community.

Councilmember Boysen indicated that he sees the impact of the lack of housing in Santa Maria every day and understands that ADUs provide additional housing. He agreed with the owner occupancy requirement in the R-1 District only, and not R-2 or R-3 Districts. He suggested that Council review how things are going under the new ordinance in two (2) years.

Councilmember Waterfield said she did not support the Planning Commission's recommendation that did not require owner occupancy.

Mayor Patino stated she supported owner's private property rights, but thought the ordinance should require owner occupancy, covered substitute parking for garage conversions, and heavy penalties for those who break the rules.

Councilmember Boysen expressed concern about carports being used as a replacement for garage conversions because they can be unsightly.

City Attorney Trujillo spoke about the covered parking requirement indicating that, should the Council mandate covered parking, he would be requesting a continuance of the item to allow staff time to research the issue. He added that, as an alternative, the Council could reject the Planning Commission's recommendation and include the owner occupancy requirement in R-1 zones only. This would allow his staff time to research the mandated covered parking issue.

Councilmember Waterfield asked about the number of people allowed in one residence.

City Attorney Trujillo recalled a case in Santa Barbara in the late 80's, early 90's that tried to regulate the number of non-related individuals living together at a certain address (college students, for example). The Court struck down the City's regulation of requiring that all individuals be related living in the same household. He added that if a family is all related, there is no court that would ever support expelling them due to overcrowding. There are building code requirements and limits on the number of people a unit can have, but the numbers are quite high. So, the number of people living in an ADU is not an issue that could be fully addressed at this meeting. Council could introduce the ordinance this evening, as proposed. That would give the City Attorney's Office time to research and determine whether or not the City could impose a requirement for covered parking. Council could also choose not to adopt the ordinance on second reading, but could direct staff to revise the ordinance and re-notice a public hearing to introduce a revised ordinance.

Councilmember Waterfield and Mayor Patino asked if a clause should be added to the ordinance requiring a property owner to live on-site a certain amount of time out of the year.

City Attorney Trujillo responded that that issue would pertain to a study of short term rentals and staff would be happy to research that topic separately.

Councilmember Boysen suggested that owner occupied meant that the address is the primary address for an owner.

City Attorney Trujillo added that the address where water and trash bills and/or other utilities are delivered would be a resource in determining the primary address, and would help with documentation for enforcement purposes, along with determining if a homestead was filed within the County. He suggested adding the term "permanent residence," instead of primary residence to the motion.

Ordinance No. 2017-21 was introduced for the first reading, and continued to the next meeting for the second reading and adoption, rejecting the Planning Commission's recommendation regarding owner occupancy and including the owner occupancy requirement on R-1 lots only, with owner occupancy being defined a "permanent residence," and adding Chapter 12-56 to Title 12 and amending various sections in Title 12 of the Santa Maria Municipal Code to permit Accessory Dwelling Units, on motion by Councilmember Boysen, seconded by Councilmember Moats, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2017-21 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADDING CHAPTER 12-56 TO TITLE 12 AND AMENDING VARIOUS SECTIONS IN TITLE 12 OF THE SANTA MARIA MUNICIPAL CODE TO PERMIT ACCESSORY DWELLING UNITS.

5. 2017 GROWTH MITIGATION FEE PROGRAM UPDATE. The City Council considered approving the 2017 Growth Mitigation Fee Program. Director of Public Works Kahn gave a presentation as detailed in the Council Agenda Report. Growth Mitigation allows for local government agencies to charge an impact fee on new development to fund the construction of capital facilities that will serve that new development. This provides for a mechanism that all development contribute to mitigation of the impacts caused by growth. The City has had a Growth Mitigation Plan in place since 1993. The nine (9) components of the Growth Mitigation Program are: 1) Corporation Yard; 2) City Hall; 3) Recreation & Parks; 4) Police; 5) Fire; 6) Library; 7) Traffic; 8) Water; and 9) Wastewater.

As part of the program, development does not pay for all the capital projects. Other funding sources include, but are not limited to, the Gas Tax, Measure A, Propositions 50 and 84, the Federal Infrastructure Program, CDBG, Active Transportation Program, State Transportation Improvement Program, Highway Safety Improvement Program, and the Road Recovery & Repair Act of 2017.

This item was presented at the regular meeting of the City Council on October 17th for a public hearing. At that time, staff presented background information on fee calculations and comparisons to other fees. They also proposed a reduction in the Growth Mitigation Fees for developers with projects in the Downtown Specific Plan (DSP) area. The Council approved the updated Capital Improvement Plan. The DSP establishes a vision to revitalize and beautify the Downtown. In doing this, staff and Council determined the need for restaurants, wineries, and other development in Santa Maria that would bring businesses and customers into the area.

During the October 17th meeting, staff proposed a 50 percent reduction in Traffic Impact Fees for restaurants/wineries/microbreweries in the downtown. Staff was asked to bring back an analysis of the fiscal impacts on the Growth Mitigation Program should a 50 percent reduction of ALL Growth Mitigation Fees be implemented on all non-residential development in the downtown. For the analysis, staff broke down the criteria into Traffic Impact Fees and "Other" Fees (Corporation Yard, City Hall, Recreation & Parks, Police, Fire, and Library). Water and Wastewater Fees were excluded as they are enterprise fund fees, and users must pay for the service. A fee credit could be applied for existing or previous uses on a site. The study period for impact fees spanned over the last two years. Residential uses were not included in the study.

Two scenarios were researched. One was located at 510 South Broadway where there was an existing structure of a 5,000 square foot restaurant. For the analysis, staff considered how much the fees would be if an 8,000 square foot, three-story building with restaurant and commercial on the ground floor, an office on the second floor, and residential space on the third floor were to be placed in the same location. With no reduction, traffic and other fees would total $208,088.

If the traffic fees for the restaurant alone were reduced by 50 percent, total fees collected would be $167,713. If all fees for the restaurant were reduced, total fees collected would be $162,193. A 50 percent reduction in traffic fees for both the restaurant and office space would net $127,313. A 50 percent reduction in all fees for the restaurant and office space would net $121,793.

The second scenario considered placing a four-story Gateway Mixed Use Project at Main and Broadway where an existing 2,400 square foot gas station is located. The ground floor would be commercial and the top three floors would be residential. With no reduction at all, total mitigation fees would be $218,470. With a 50 percent reduction in traffic fees for the commercial floor, $187,155 would be collected. A 50 percent reduction in all fees would net $185,369.

In all, with four mixed-use projects, each with an existing use on site (eligible for a fee credit), and a 50 percent reduction in traffic fees only, it is estimated the reduction in revenue would be less than $400,000. Fees in other categories would stay exactly the same.

Staff proposes a 50 percent reduction in Growth Mitigation Fees for Traffic Fees only, effective 30 days after adoption of the ordinance, and to expire in December 2019.

Public Works Director Kahn read a note from Chamber of Commerce CEO, Glenn Morris, who fully supported the item and staff's recommendation.

Councilmember Boysen commented that, compared to Traffic Impact Fees, reducing the other fees by 50 percent looked like a very minimal loss. He suggested offering everyone who does commercial development in the downtown a 50 percent reduction in all mitigation fees to help entice them to the area.

Councilmember Waterfield agreed.

Public Input
Ernest Armenta spoke in opposition to the reduction in any Growth Mitigation Fees.

Council discussion
Councilmember Boysen suggested following up at a future date to see how the reduction in fees was impacting the City.

Ordinance No. 2017-22 was introduced, and continued to the next meeting for second reading and adoption, as amended revising the 2017 Growth Mitigation Fees applying a 50 percent reduction for all Growth Mitigation Fees, excluding sewer and water, for commercial uses in the Downtown Specific Plan area, on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2017-22 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, SETTING/REVISING THE 2017 GROWTH MITIGATION FEES.

REPORT BY CITY MANAGER:
City Manager Stilwell reported the next City Council meeting would be December 19, 2017. Items on the agenda will include a couple of retirement resolutions; a proposal to cancel the January 2nd Council meeting; the Growth Mitigation Annual Compliance Report; a General Plan Amendment for 1111 West Cook Street; a reprogramming of HOME funds; and the appointment of the Mayor Pro Tem. He added that the next meeting would be January 16, 2018, upon approval of the proposed cancellation of the January 2nd regular meeting.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Each of the Councilmembers reported attending City Manager Haydon's retirement dinner at the Veteran's Memorial Building on December 4, 2017; and excluding Councilmember Boysen, Councilmembers reported attending the City's Tree Lighting and Holiday Parade of Lights.

Councilmember Boysen had no reportable AB1234 items.

Councilmember Waterfield had no reportable AB1234 items.

Councilmember Moats had no reportable AB1234 items.

Councilmember Cordero had no reportable AB1234 items.

Mayor Patino reported that she attended a meeting with the City's Washington, D.C. lobbyist.

RECESS:
Mayor Patino Mayor Patino recessed to continue the Closed Session at 7:45 p.m. for CONFERENCE WITH LABOR NEGOTIATORS pursuant to Section 54957.6 of the Government Code. Agency representatives: City Manager and Director of Human Resources & Records. Employee Organizations: Service Employees International Union (SEIU) Local 620, Santa Maria Police Association of Middle Management (SMPAMM), Santa Maria City Fire Fighters' Union Local 2020 (Local), Non-Represented Management and Confidential Employees, and Public Safety Managers.

CLOSED SESSION REPORT:
Following the Closed Session, City Attorney Trujillo announced there was no reportable action taken.

ADJOURNMENT:
There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 8:05 p.m. in memory of Supervisor Joni Gray.

APPROVED:

December 19, 2017
Date

Rhonda M. Garietz, CMC
Chief Deputy City Clerk and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk